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RECEIVED

December 31, 2003

DEC 31 2003

Ms Marlene H Dortch  
Federal Communications Commission  
Secretary  
445 12<sup>th</sup> Street S W – TW-A325 – 12<sup>th</sup> Street Lobby  
Washington, D C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**Re: Puerto Rico Telephone Company's Permanent Cost Allocation Manual for the Separation of Regulated and Non-regulated Costs**

Dear Ms Dortch:

In compliance with the Orders of the Chief, Wireline Competition Bureau released in accordance with the Commission's requirement in Docket 86-111 Verizon Communications, Inc., on behalf of the Puerto Rico Telephone Company, hereby file revisions to their Cost Allocation Manual (CAM).

This revision of the CAM primarily reflects changes that affect Sections V, VI and VII as follows

**Section V - Affiliate Transactions**

To add new affiliates that have transactions with PRTC and to identify the services such affiliates receive from or provide to, PRTC

**Section VI – Cost Apportionment Tables**

To clarify/correct the apportionment bases and to eliminate incorrect double charging to the non-regulated category, of various accounts

**Section VII – Time Reporting Procedures**

To identify the correct frequency of Marketing Time studies and to update time reporting classifications of Marketing and Commercial operations' employees

These changes are retroactive to January 1, 2003. In addition, the attached Summary of Revisions describes all changes to Section VI (Cost Apportionment Tables) of this CAM filing

All correspondence and inquiries in connection with this filing should be forwarded to me at the above address.

Sincerely,

Attachments

cc Chief, Pricing Policy Division  
Qualex International

No. of Copies rec'd 043  
List ABCDE

**PUERTO RICO TELEPHONE COMPANY**  
**Transmittal Letter Matrix CAM Modifications**  
**December 31, 2003**

<b>CAM Ref.</b>	<b>Change From</b>	<b>Change To</b>	<b>Reason</b>	<b>Quantification</b>
Section V, Page 1	TELPRI has two other subsidiaries in addition to PRTC, i.e. Coqui com Corporation and Datacom Caribe, Inc	TELPRI has three other subsidiaries in addition to PRTC, i.e. Coqui net Corporation, PRT Larga Distancia, Inc and Datacom Caribe, Inc	To include PRT Larga Distancia, Inc as TELPRI subsidiary	No impact on regulated operations
Section V, Page 3	GTE International Telecommunications Incorporated	GTE Telecommunications International, Inc	To update affiliate name	No impact on regulated operations
Section V, Page 3	Verizon Service Corp	Verizon Corporate Services Group, Inc	To update affiliate name	No impact on regulated operations
Section V, Page 3	Codetel	Codetel Corporation	To update affiliate name	No impact on regulated operations
Section V, Page 3		Telecomunicaciones Movilnet, C.A.	Affiliate added	No impact on regulated operations
Section V, Page 3		Verizon North, Inc	Affiliate added	No impact on regulated operations
Section V, Page 3		Verizon Data Services, Inc	Affiliate added	No impact on regulated operations
Section V, Page 4		Billing and Collection Services, M for PRT Larga Distancia, Inc	Service is provided	No impact on regulated operations
Section V, Page 4		Wireless Roaming Service, M for Telecomunicaciones Movilnet, C.A.	Service is provided	No impact on regulated operations
Section V, Page 4		Operator Services, M for PRT Larga Distancia, Inc	Service added	No impact on regulated operations
Section V, Page 4	Directory Listings, M for Verizon Information Services Puerto Rico, Inc	Directory Listings (FDC), M for Verizon Information Services Puerto Rico, Inc	To add the valuation method of the service received	No impact on regulated operations
Section V, Page 4	Marketing and IT support, M for PRT Larga Distancia, Inc	Marketing and IT support (FDC), M for PRT Larga Distancia, Inc	To add the valuation method of the service received	No impact on regulated operations
Section V, Page 4		General Services (FDC), M for Coqui net Corporation	Service is provided	No impact on regulated operations
Section V, Page 4		Building Space Rent (FMV), M for PRT Larga Distancia, Inc	Service added	No impact on regulated operations
Section V, Page 4		Network Surveillance Services (FDC), M for Coqui net Corporation	Service added	No impact on regulated operations
Section V, Page 4		LD Switch Maintenance Services (FDC), M for PRT Larga Distancia, Inc	Service added	No impact on regulated operations

**PUERTO RICO TELEPHONE COMPANY**  
**Transmittal Letter Matrix CAM Modifications**  
**December 31, 2003**

<b>CAM Ref.</b>	<b>Change From</b>	<b>Change To</b>	<b>Reason</b>	<b>Quantification</b>
Section V, Page 5	GTE Service Corporation	Verizon Corporate Services Group, Inc	To update affiliate name	No impact on regulated operations
Section V, Page 5	Network Mgmt Systems, M for GTE Service Corporation	Wireless Technical Assistance Svces , M for Verizon Corporate Services Group, Inc	Service description updated	No impact on regulated operations
Section V, Page 5	Insurance, A for GTE Service Corporation		Service is not provided	No impact on regulated operations
Section V, Page 5	General Services, O for GTE Service Corporation		Service is not provided	No impact on regulated operations
Section V, Page 5		Information & Network Security Svces , M for Verizon Corporate Services Group, Inc	Service added	No impact on regulated operations
Section V, Page 5	GTE International Telecommunications Incorporated	GTE Telecommunications International, Inc	To update affiliate name	No impact on regulated operations
Section V, Page 5		Management, Legal & Reg advice, M for GTE Telecommunications International, Inc	Service is provided	No impact on regulated operations
Section V, Page 5		Official Company Long Distance, M for PRT Larga Distancia, Inc	Affiliate and service added	No impact on regulated operations
Section V, Page 5		Local Number Portability Svces , M for Verizon North, Inc	Affiliate and service added	No impact on regulated operations
Section V, Page 5		Network Management Systems, M for Verizon Data Services, Inc	Affiliate and service added	No impact on regulated operations
Section V, Page 5		DSL Help Desk Services, M for Coqui net Corporation	Affiliate and service added	No impact on regulated operations
Section V, Page 5		Wireless Roaming Service, M for CODETEL, C por A	Affiliate and service added	No impact on regulated operations
Section V, Page 5		Wireless Roaming Service, M for Cellco Partnership	Affiliate and service added	No impact on regulated operations
Section V, Page 5		Wireless Roaming Service, M for TELUS Mobility, Inc	Affiliate and service added	No impact on regulated operations
Section V, Page 5		Wireless Roaming Service, M for Telecomunicaciones Movilnet, C A	Affiliate and service added	No impact on regulated operations

**PUERTO RICO TELEPHONE COMPANY**  
**Transmittal Letter Matrix CAM Modifications**  
**December 31, 2003**

<b>CAM Ref.</b>	<b>Change From</b>	<b>Change To</b>	<b>Reason</b>	<b>Quantification</b>
Section VI, Page 5 Account 1410		Add cost pool "Regulated" and	To apportion regulated Other Noncurrent Assets and apportionment basis	Impact on regulated operations is less than \$100,000
Section VI, Page 21 Account 2690	Regulated/Nonregulated Apportionment Basis  c) Indirectly attributed in the same proportion as the combined distribution of Accounts 6124 and 6724	Regulated/Nonregulated Apportionment Basis  c) Indirectly attributed in the same proportion as Investment in Account 2124	To clarify the apportionment basis	No impact on regulated operations
Section VI, Page 22 Account 3100	Cost Pools  9 Customer Premises Wiring 12 Wireless	Cost Pools	Eliminate unused cost pools	No impact on regulated operations
Section VI, Page 23 Account 3410	Regulated/Nonregulated Apportionment Basis  3 Indirect attribution based on the relative regulated / nonregulated apportionment of account 2681	Regulated/Nonregulated Apportionment Basis  3 Indirect attribution based on the relative regulated / nonregulated apportionment of account 2681 - cost pools 1 thru 6	To correct a double charging	No impact on regulated operations
Section VI, Page 28 Account 6123	Regulated/Nonregulated Apportionment Basis  Indirect attribution based on relative regulated / nonregulated investment in account 2123	Regulated/Nonregulated Apportionment Basis  1 Directly assigned to regulated 2 Directly assigned to nonregulated  3 Indirect attribution based on relative regulated / nonregulated investment in account 2123	To correct Apportionment Basis	No impact on regulated operations
Section VI, Page 37 Account 6611	Cost Pools 3 Common    Regulated/Nonregulated Apportionment Basis  3 Marketing General Allocator	Cost Pools 3 Common a Wireline b Overall  Regulated/Nonregulated Apportionment Basis  3 a. Marketing General Allocator, excluding wireless operations expenses  b Marketing General Allocator	To correct a double charging	This change has an annual impact on regulated operations of \$ 7,550,945

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<b>CAM Ref.</b>	<b>Change From</b>	<b>Change To</b>	<b>Reason</b>	<b>Quantification</b>
Section VI, Page 38 Account 6613	Cost Pools  4 Common   Regulated/Nonregulated Apportionment Basis  4 Marketing General Allocator	Cost Pools  4 Common  a Wireline  b Overall  Regulated/Nonregulated Apportionment Basis  4 a Marketing General Allocator, excluding wireless operations expenses  b Marketing General Allocator	To correct a double charging	This change has an annual impact on regulated operations of \$ 2,144,095
Section VII, Page 5	Quarterly	Annually	To correct frequency of Marketing Time Study # 1	No impact on regulated operations
Section VII, Page 6	Quarterly	Annually	To correct frequency of Marketing Time Study # 2	No impact on regulated operations
Section VII, Page 6	Customer Services Consultants (CSC)	Customer Services Consultants (CSC) and Assistants Business Sales Support (ABSS)	To include ABSS employee classification in Marketing Time Study # 2	No impact on regulated operations
Section VII, Page 9 Exhibit 6	Sales & Marketing Consultants Account Executives  Corporate Operations Executive Planning Accounting and Finance External Relations Human Resources Information Management Legal Procurement Research and Development Other General and Development	Sales & Marketing Account Executives Customer Service Consultants Assistants Business Sales Support  Corporate Operations General and Administrative	To update time reporting employee classifications of Sales & Marketing Operations  To update time reporting employee classifications of Commercial Operations	No impact on regulated operations  No impact on regulated operations

PUERTO RICO TELEPHONE COMPANY, INC.  
 PART 64  
 COST ALLOCATION MANUAL  
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SECTION	PAGES	DATE REVISED
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		40	12/31/03
		41	12/31/03
		42	12/31/03
		43	12/31/03
		44	12/31/03
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		<b>6*</b>	<b>12/31/03</b>
		7	12/31/03
		8	12/31/03
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\*This page contains other than basic format changes.



PUERTO RICO TELEPHONE COMPANY, INC.  
PART 64  
COST ALLOCATION MANUAL

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- I. Introduction
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- IV. Chart of Affiliates
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- VI. Cost Apportionment Tables
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PUERTO RICO TELEPHONE COMPANY, INC.  
PART 64  
COST ALLOCATION MANUAL

SECTION I - INTRODUCTION

**OVERVIEW**

This Cost Allocation Manual is filed by Puerto Rico Telephone Company, Inc. (PRTC) in compliance with paragraph 232 of the Federal Communications Commission's Report and Order released February 6, 1987, in CC Docket No. 86-111 ("In the Matter of Separation of Costs of Regulated Telephone Service from Costs of Nonregulated Activities"). As a "Class A" company with annual operating revenues in excess of \$117 million, PRTC is required to file such a manual with the Commission. The manual contains, in tables and descriptive text, procedures that PRTC will use to separate the costs of "nonregulated" activities from the costs of "regulated" activities (as these terms are specifically defined in the Report and Order and its appendices). The manual is based on the Part 32 Class A chart of accounts, and the implementation of the cost apportionment procedures will be subject to an annual attestation audit as required in paragraph 254 of the Report and Order.

Other sections are as follows:

Section II – Non-regulated Activities - This section contains descriptions of the nonregulated products and services that the Company offers. A matrix indicates which accounts are impacted by each nonregulated activity.

Section III – Incidental Activities - This section includes a listing of activities the Company classified as incidental for accounting treatment pursuant to the guidelines set forth in the Joint Cost Order. It also includes a brief statement of these guidelines.

Section IV – Chart of Affiliates - This section contains a chart of the Company's affiliates.

Section V – Affiliate Transactions - This section lists the transactions between the Company and its affiliates. A matrix indicates, by service, which affiliates provide transactions to the Company and which affiliates receive transactions from the Company in accordance with RAO 26.

Section VI – Cost Apportionment Tables - This section contains a full description of the cost apportionment table development and the cost apportionment table itself which addresses appropriate Part 32 accounts.

Section VII – Time Reporting Procedures - This section contains time reporting methods; a discussion of teaching, monitoring and reinforcing time reporting systems, methods and procedures; and an explanation of how nonproductive time is allocated.

PRTC maintains tariffs for local and intrastate (i.e., intra-island) services. At present, all new rates and amendments to existing rates for local service and other tariffed items not subject to federal jurisdiction are subject to the approval of the President and filed with the Telecommunications Regulatory Board of P.R., according to Law 213 dated September 12, 1996.

Since PRTC uses one accounting system for all activities, the Company has developed, in recent years, subsystems for identifying the costs and revenues associated with nonregulated services. Moreover, PRTC has in past years conducted cost allocation studies to apportion the costs of services that have been preemptively deregulated by the Commission.

Effective May 5, 1994, the Puerto Rico Telephone Company (now Puerto Rico Telephone Company, Inc.) acquired the assets of the Puerto Rico Communications Corporation (PRCC) and the combined entity is operated as PRTC. The former operations of PRCC will continue to be maintained as a separate study area, known as Puerto Rico Telephone Company, Inc.-Central, for interstate access tariff development and settlement purposes and will not be combined with the preexisting study area of PRTC. The procedures identified herein for the allocation of costs among regulated and nonregulated operations, apply to both the preexisting study area of PRTC and to PRTC-Central.

## **DESCRIPTION OF COST ALLOCATION PROCESS**

This section will provide a brief overview of the cost allocation process that is described in greater detail in the descriptive text and cost allocation tables that follow. The flow of costs is illustrated in Exhibit 1.

The costs to be assigned to or apportioned between regulated and nonregulated activities are initially recorded in Part 32 accounts. In the case of PRTC, all costs of providing regulated and nonregulated services reside in these accounts, rather than in separate books of accounts.

PRTC's accounting system has been designed to identify the investment and expenses associated with nonregulated activities such as Voice Mail and Internet through the configuration of the accounts and the establishment of profit centers.

Moreover, each account in PRTC's general ledger is identified as regulated, nonregulated, or common, thereby facilitating CC Docket No. 86-111 cost apportionment procedures.

The cost apportionment procedures outlined in this Manual are then applied to the Part 32 account balances. As part of this process, services offered by the telephone company are classified into five groups. The portions of account balances that relate to services classified as nonregulated are identified and removed from the cost flow (i.e., are not subject to jurisdictional separations). The portions of account balances that relate to regulated services are subject to Part 36 separations procedures (and then access charge procedures in the case of PRTC's interstate separated costs).

The Report and Order classifies as nonregulated:

- Services never subject to tariff - e.g., real estate ventures
- Services preemptively deregulated by the Commission - e.g., customer premises equipment (CPE)

Regulated services, include:

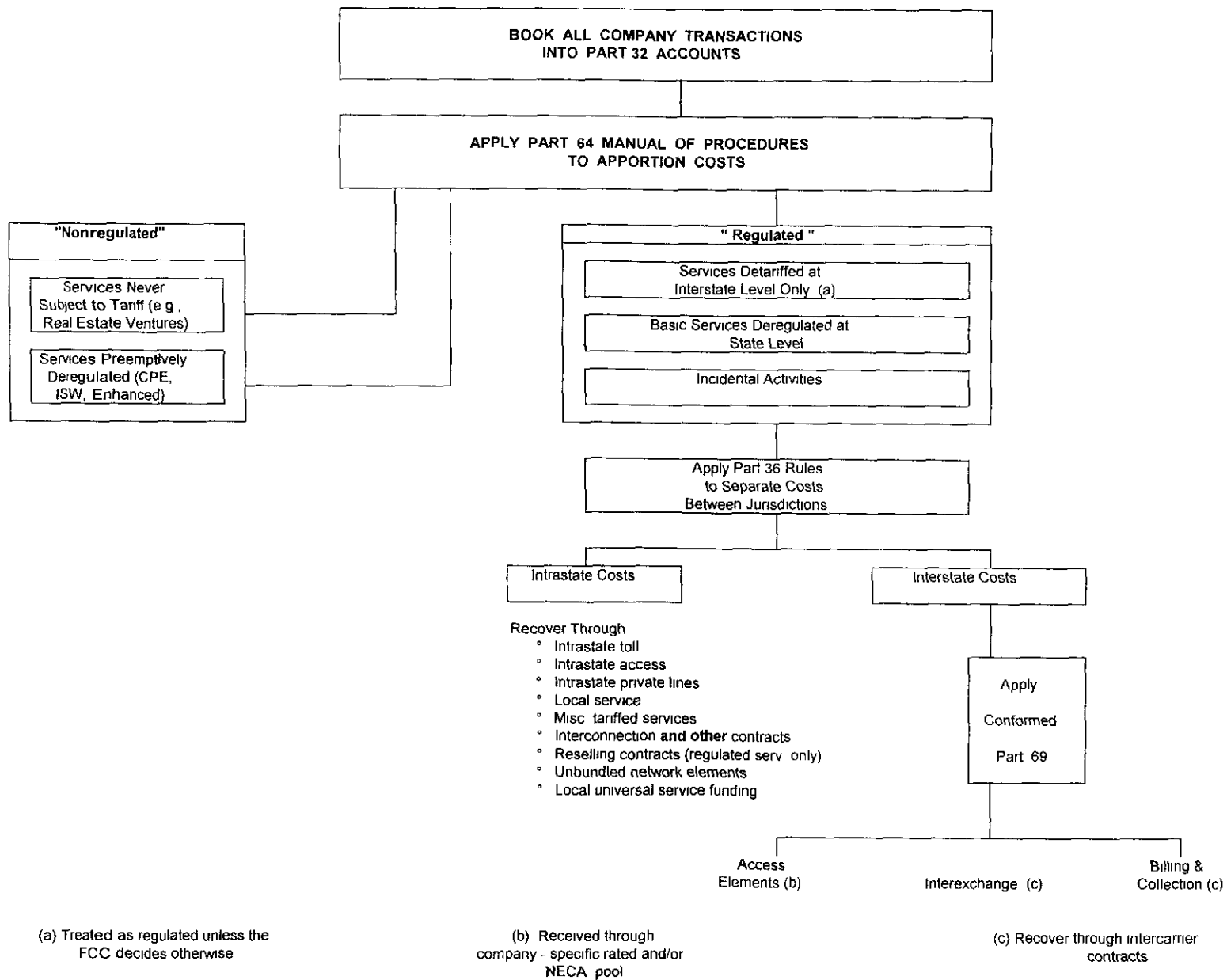
- Services detariffed at the interstate level only - e.g., billing and collection
- Basic services deregulated at the state level - e.g., Centrex in certain states
- Incidental activities - e.g., underground conduit rental

In designing the procedures for apportioning the costs of these five classes of service, PRTC has adhered to the hierarchy of cost apportionment methods set forth in Section 64.901 of the Commission's Rules. PRTC uses the attributable cost method of fully distributed cost allocation to apportion total company booked costs between regulated and nonregulated activities

- PRTC directly assigns costs of assets and/or resources to regulated or nonregulated whenever possible. These are costs incurred exclusively for providing either regulated or nonregulated services. To the extent that an account balance can be directly assigned to either regulated or nonregulated, this has been done.
- When regulated tariff services are used in the provision of nonregulated products and services, the Company will record a debit to Account 5280, Nonregulated Revenue (and credit regulated revenue), to charge the nonregulated activity the tariff rates for the use of the regulated service.
- The company will group the costs that it cannot directly assign to regulated or nonregulated activities into homogeneous cost categories (cost pools) that exhibit common cost characteristics. Common cost pools will be categorized and allocated in accordance with the following hierarchy:

- (1) Directly Attributable Costs: Costs associated with resources and assets used to provide both regulated and nonregulated services are attributed using direct measures of causation.
- (2) Indirectly Attributable Costs: Costs associated with resources and assets used to provide both regulated and nonregulated services, which require an indirect (surrogate) measure of cost causation in order to relate the costs to a final objective, are attributed using the indirect measure.
- (3) Residual Costs:
  - (a) Costs allocated by the General Allocator: Shared residual costs (non-marketing) incurred for the common benefit of both regulated and nonregulated activities, but which are considered unattributable, i.e., for which no causal relationship exists, are allocated to regulated and nonregulated activities by the general allocator.
  - (b) Costs allocated by the Marketing Allocator: Shared residual marketing costs incurred for the common benefit of both regulated and nonregulated activities, but which are considered unattributable, i.e., for which no causal relationship exists, are allocated to regulated and nonregulated activities by the marketing allocator.

# EXHIBIT 1



PUERTO RICO TELEPHONE COMPANY, INC.  
PART 64  
COST ALLOCATION MANUAL

Section II - NONREGULATED ACTIVITIES

In the context of CC Docket No. 86-111, "nonregulated" denotes the services for which associated costs (determined through attributable costing methodology) are removed from Part 32 account balances prior to jurisdictional separations. Two classes of services are considered to be nonregulated: (1) services that have been preemptively deregulated by the Federal Communications Commission and (2) services that have never been subject to tariff (but that are not considered "incidental"). Nonregulated services and products offered by PRTC are discussed below.

1. Customer Premise Equipment (CPE) Provisioning

CPE provisioning includes the sales, lease, installation, removal, maintenance monitoring, and repair of customer premises equipment. The CPE supports new or existing Verizon network and nonregulated services.

2. The installation and maintenance of inside wire

The cost of installing and maintaining all new inside wire is expensed and considered nonregulated.

3. Contracted services

a) Customer-specific construction projects

If construction/installation projects for customers involve both regulated and nonregulated products and services, appropriate apportionment procedures will be utilized.

b) Yellow Pages Publications

Verizon Information Services Puerto Rico Inc., S. en C. (formerly Axesa Información Incorporado y Compañía S. en C.), is responsible for the publication of PRTC's Directory.

4. Enhanced protocol conversion

This nonregulated service is offered in conjunction with PRTCNET, using a fully dedicated (deregulated) protocol conversion network. Protocol processing enables customers to interface multi-disparate terminals with host computers via access concentrators located throughout the network. These concentrators can convert customer data into various formats and route it to the packet switch. The converted data is ultimately routed to the customers designated receiving location. The service is provided using PRTC-owned dedicated protocol conversion equipment. Associated network interconnection and transport services are provided at tariffed rates.

5. Voice Mail Service

Voice Mail service is a nonregulated service that allows customer to record, keep, receive, give and answer messages and distribute them to other users on the system. This service is being provided, via equipment that is separate and distinct from equipment utilized to provide basic network services.

6. Public Telephone Services

These services were deregulated by the Commission on April 15, 1997, as a result of the Report and Order released on September 20, 1996, in CC Docket No. 96-128. Although this service is nonregulated, various network services that are associated with this service remain regulated (e.g., the access lines and local usage). Accordingly, the nonregulated category is charged tariff rates for the required regulated network services. The revenue earned from local end-user public telephone calls, the investment in public telephones and booths, the maintenance costs related to such equipment and all other operating expenses incurred in the provision of public telephone services are included in the nonregulated category.

7. Internet

Interconnected Networks is a nonregulated service that provides customers with access from their personal (or business) computers to the marketing, distribution and communication channel.



## 8. Wireless Services

Cellular services - Verizon Wireless Puerto Rico Inc. (Verizon Wireless), PRTC's wireless operation, provides both analog and complete digital cellular services. Verizon Wireless provides an extensive and efficient point-of-sale coverage through its various distribution channels. At present, Verizon Wireless distribution channels consist of Retail, Business Corporate, Dealers, E-Commerce, Telemarketing, and a non-traditional channel for Mass merchants strategically located throughout the island. Verizon Wireless provides from various basic services, such as Custom Calling Features (call waiting, call transfer, etc.), to advanced services such as IS-136 subscriber features and wireless intelligent services (wireless private network, subscription areas, etc.). Also, new data services are available such as SMS Short Message service, E-go, etc.

Exhibit 2 illustrates which investment and expense accounts are affected by the nonregulated activities listed above.

E BIT 2  
NONREGULATED ACTIVITIES AND ASSOCIATED ACCOUNTS

USOA ACCOUNTS	VOICE MAIL SERVICE	INSIDE WIRE*	CPE**	CONTRACT SERVICES	PROTOCOL CONVERSION	PUBLIC TELEPHONES	INTERCONNECTED NETWORKS (INTERNET)	PCS	CELLULAR & BEEPERS
<b>CURRENT AND NONCURRENT ASSETS</b>									
1220-MATERIAL AND SUPPLIES	X	X	X	X	X	X	X		X
1410-OTHER NONCURRENT ASSETS	X	X	X	X	X	X	X		X
1438-DEFERRED MAINTENANCE, RETIREMENTS AND OTHER DEFERRED CHARGES	X	X	X	X	X	X	X		X
<b>TELECOMMUNICATIONS PLANT</b>									
2003-TELEPHONE PLANT UNDER CONSTRUCTION-SHORT TERM	X	X	X	X	X	X	X		X
2111-LAND	X	X	X	X	X	X	X		X
2112-MOTOR VEHICLES	X	X	X	X	X	X	X		X
2114-TOOLS AND OTHER WORK EQUIPMENT	X	X	X	X	X	X	X		X
2121-BUILDINGS	X	X	X	X	X	X	X		X
2122-FURNITURE	X	X	X	X	X	X	X		X
2123-OFFICE EQUIPMENT	X	X	X	X	X	X	X		X
2124-GENERAL PURPOSE COMPUTERS	X	X	X	X	X	X	X		X
2212 1-DIGITAL ELECTRONIC SWITCHING-CIRCUIT									X
2212 2-DIGITAL ELECTRONIC SWITCHING-PACKET					X				
2231-RADIO SYSTEMS									X
2232 1-CIRCUIT EQUIPMENT-ELECTRONIC							X		
2311-STATION APPARATUS			X						X
2341-LARGE PRIVATE BRANCH EXCHANGES			X						
2351-PUBLIC TEL TERM EQUIPMENT						X			
2362-OTHER TERMINAL EQUIPMENT						X			
2681-CAPITAL LEASES	X	X	X	X	X	X	X		
2682-LEASEHOLD IMPROVEMENTS	X	X	X	X	X	X	X		X
2690-INTANGIBLES	X	X	X	X	X	X	X	X	X

PUERTO RICO TELEPHONE COMPANY

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REVISED 12-31-03

EX T 2  
NONREGULATED ACTIVITIES AND ASSOCIATED ACCOUNTS

USOA ACCOUNTS	VOICE MAIL SERVICE	INSIDE WIRE*	CPE**	CONTRACT SERVICES	PROTOCOL CONVERSION	PUBLIC TELEPHONES	INTERCONNECTED NETWORKS (INTERNET)	PCS	CELLULAR & BEEPERS
<b>DEPRECIATION AND AMORTIZATION</b>									
3100-ACCUMULATED DEPRECIATION	X	X	X	X	X	X	X		X
3410-ACCUMULATED AMORTIZATION-CAPITAL LEASES	X	X	X	X	X	X	X		
3420-ACC AMORTIZATION-LEASEHOLD IMPROVEMENTS	X	X	X	X	X	X	X		X
<b>CURRENT AND OTHER LIABILITIES AND DEFERRED CREDITS</b>									
4040-CUSTOMER DEPOSITS	X	X	X	X	X		X		X
4100-NET CURRENT DEFERRED OPERATING INCOME TAXES	X	X	X	X	X	X	X		
4130-OTHER CURRENT LIABILITIES	X	X	X	X	X	X	X		X
4300-OTHER LONG-TERM LIABILITIES AND DEFERRED CREDITS	X	X	X	X	X	X	X		X
4340-NET NONCURRENT DEFERRED OPERATING INCOME TAXES	X	X	X	X	X	X	X		
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>									
6112-MOTOR VEHICLES EXPENSE	X	X	X	X	X	X	X		X
6114-TOOLS AND OTHER WORK EQUIPMENT EXPENSE	X	X	X	X	X	X	X		
6121-LAND AND BUILDING EXPENSE	X	X	X	X	X	X	X		X
6122-FURNITURE AND ARTWORK EXPENSE	X	X	X	X	X	X	X		
6123-OFFICE EQUIPMENT EXPENSE	X	X	X	X	X	X	X		X
6124-GENERAL PURPOSE COMPUTERS EXPENSE	X	X	X	X	X	X	X		X
6212 2-DIGITAL ELECTRONIC EXPENSE-PACKET					X				
6231-RADIO SYSTEMS EXPENSE									X
6232 1-CIRCUIT EQUIPMENT EXPENSE-ELECTRONIC			X				X		
6232 2-CIRCUIT EQUIPMENT EXPENSE-OPTICAL									
6311-STATION APPARATUS EXPENSE			X						X
6341-LARGE PRIVATE BRANCH EXCHANGE EXPENSE			X						
6351-PUBLIC TELEPHONE TERMINAL EQUIPMENT						X			
6362-OTHER TERMINAL EQUIPMENT EXPENSE			X	X					

EX HT 2

[illegible][illegible][illegible]

E BIT 2  
NONREGULATED ACTIVITIES AND ASSOCIATED ACCOUNTS

USOA ACCOUNTS	VOICE MAIL SERVICE	INSIDE WIRE*	CPE**	CONTRACT SERVICES	PROTOCOL CONVERSION	PUBLIC TELEPHONES	INTERCONNECTED NETWORKS (INTERNET)	PCS	CELLULAR & BEEPERS
<b>OTHER INCOME AND EXPENSE ACCOUNTS</b>									
7100-OTHER OPERATING INCOME AND EXPENSES	X	X	X	X	X	X	X		X
7220-OPERATING FEDERAL INCOME TAXES	X	X	X	X	X	X	X		
7230-OPERATING STATE AND LOCAL INCOME TAXES	X	X	X	X	X	X	X		X
7240-OPERATING OTHER TAXES									X
7300-INON OPERATING INCOME AND EXPENSES	X	X	X	X	X	X	X		X
7420-NONOPERATING FEDERAL INCOME TAXES	X	X	X	X	X	X	X		
7500-INTEREST AND RELATED ITEMS	X	X	X	X	X	X	X		X
* Includes the installation and maintenance of Inside Wire associated with various services									
** Includes CPE associated with various services									